

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

In re: FANSTEEL INC., <i>et al.</i> , <sup>1</sup>	)	
	)	
Fansteel Inc.,	)	
	)	
Plaintiff,	)	Civil Action No. 04-517 (JJF)
	)	
v	)	
	)	
Service Steel Aerospace Corp.,	)	
	)	Adversary Case No. 04-51062
Defendant.	)	Bankruptcy Case No. 02-10109 (JJF)

Objection Deadline: March 30, 2005 by 4:00 p.m. Eastern Time  
Hearing Date: TBD, if necessary

**NOTICE OF SETTLEMENT OF AVOIDANCE ACTION**

Plaintiff, Fansteel, Inc., Reorganized Debtor (hereinafter referred to as "Plaintiff"), files this Notice of Settlement of Avoidance Action (the "Notice"). A proposed Mutual Settlement Agreement and Release (the "Settlement Agreement") was entered into by Plaintiff and Service Steel Aerospace Corp. (hereinafter referred to as "Defendant"), on March 21, 2005, a copy of which is attached hereto, which Settlement Agreement provides, *inter alia*, the following:

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<sup>1</sup> The Reorganized Debtors are the following entities: Fansteel Inc. and Wellman Dynamics Corp.

<b>Name of Defendant:</b>	Service Steel Aerospace Corp.
<b>Adversary Proceeding No.:</b>	04-51062 (JJF)
<b>Complaint Amount:</b>	\$17,436.77
<b>Settlement Amount:</b>	\$4,220.77 cash payment
<b>Special Circumstances:</b> Ordinary Course and New Value defenses	

Plaintiff submits that the above Settlement Agreement is the product of arm's-length negotiations between Plaintiff and Defendant. The Settlement Agreement represents a favorable resolution of Plaintiff's claims and results in a cash payment to Plaintiff for the benefit of creditors. Accordingly, Plaintiff further submits that the Settlement Agreement is fair and reasonable, is in the best interest of its creditors, and is the result of the exercise of sound business judgment.

If you object to the terms of the settlement, you are required to file an objection to this Settlement Agreement on or before March 30, 2005 by 4:00 p.m.

THIS NOTICE IS SUBMITTED ON NEGATIVE NOTICE. ANY PARTY OBJECTING TO THE RELIEF REQUESTED HEREIN SHALL MAKE ITS OBJECTION KNOWN BY FILING AN OBJECTION TO THE PROPOSED SETTLEMENT, SERVED UPON THE UNDERSIGNED AND FILED WITH THE COURT NO LATER THAN FIVE (5) BUSINESS DAYS AFTER DELIVERY HEREOF. A HEARING ON THE NOTICE WILL BE HELD AT A TIME TO BE DETERMINED BY THE COURT ONLY IF A TIMELY

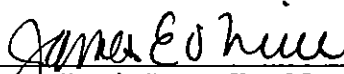
OBJECTION IS FILED. IF NO SUCH OBJECTIONS ARE FILED, THE SETTLEMENT  
WILL BE DEEMED APPROVED WITHOUT FURTHER ORDER OF THE COURT.

Dated: March 22, 2005

SCHULTE, ROTH & ZABEL LLP  
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- and -

PACHULSKI, STANG, ZIEHL, YOUNG, JONES  
& WEINTRAUB P.C.

  
\_\_\_\_\_  
Laura Davis Jones (Bar No. 2436)  
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